

HOUSE BILL No. 1351

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-12; IC 22-12-10.

Synopsis: Volunteer fire department funding. Imposes an excise tax equal to 5% on firework sales. Establishes and funds the volunteer fire department fireworks fund and board to make loans or grants to volunteer fire departments for firefighting equipment or firefighter training.

Effective: July 1, 2003.

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January 14, 2003, read first time and referred to Committee on Ways and Means.

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First Regular Session 113th General Assembly (2003)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2002 Regular or Special Session of the General Assembly.

HOUSE BILL No. 1351

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-12 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2003]:

4 **Chapter 12. Firework Tax**

5 **Sec. 1. As used in this chapter, "firework" has the meaning set**
6 **forth in IC 22-11-14-1.**

7 **Sec. 2. As used in this chapter, "firework tax" refers to the**
8 **excise tax imposed by section 6 of this chapter.**

9 **Sec. 3. As used in this chapter, "gross retail income" has the**
10 **meaning set forth in IC 6-2.5-1-5.**

11 **Sec. 4. As used in this chapter, "person" has the meaning set**
12 **forth in IC 6-2.5-1-3.**

13 **Sec. 5. As used in this chapter, "retail merchant" has the**
14 **meaning set forth in IC 6-2.5-1-8.**

15 **Sec. 6. (a) An excise tax is imposed on a transaction in which a**
16 **firework is furnished by a retail merchant for a consideration.**

17 **(b) The firework tax imposed by subsection (a) does not apply**



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to the furnishing of a firework in a transaction that is exempt, or to the extent exempt, from the state gross retail tax imposed by IC 6-2.5.

Sec. 7. The firework tax is five percent (5%) of the gross retail income received by a retail merchant from a transaction described in section 6 of this chapter. For purposes of this chapter, the gross retail income received by the retail merchant from the transaction does not include the amount of tax imposed on the transaction under IC 6-2.5.

Sec. 8. A person who acquires a firework under a transaction described in section 6 of this chapter is liable for the firework tax. The person shall pay the tax to the retail merchant as a separate amount added to the consideration for the firework. The retail merchant shall collect the tax as an agent for the state.

Sec. 9. The firework tax shall be imposed, paid, and collected in the same manner that the state gross retail tax is imposed, paid, and collected under IC 6-2.5. However, the department of state revenue shall determine whether the return to be filed for the payment of the firework tax must be:

- (1) a separate return; or
- (2) combined with the return filed for the payment of the state gross retail tax.

Sec. 10. The amounts received from the firework tax shall be paid monthly by the treasurer of state to the volunteer fire department fireworks fund established by IC 22-12-10-5.

SECTION 2. IC 22-12-10 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

Chapter 10. Volunteer Fire Department Fireworks Fund

Sec. 1. As used in this chapter, "board" refers to the volunteer fire department fireworks fund board established by section 6 of this chapter.

Sec. 2. As used in this chapter, "fund" refers to the volunteer fire department fireworks fund established by section 5 of this chapter.

Sec. 3. As used in this chapter, "volunteer fire department" has the meaning set forth in IC 36-8-12-2.

Sec. 4. As used in this chapter, "volunteer firefighter" has the meaning set forth in IC 36-8-12-2.

Sec. 5. (a) The volunteer fire department fireworks fund is established as a dedicated fund to be administered by the volunteer fire department fireworks fund board.



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(b) The fund consists of revenue deposited in the fund under IC 6-2.5-12-10.

(c) All money in the fund is appropriated continuously for the purposes of this chapter.

(d) The balance of the fund at the end of a state fiscal year does not revert to the state general fund.

Sec. 6. The volunteer fire department fireworks fund board is established.

Sec. 7. (a) Members of the board are as follows:

(1) Two (2) persons from different political parties appointed by the governor.

(2) Two (2) persons from different political parties appointed by the governor with the advice of the speaker of the house of representatives.

(3) Two (2) persons from different political parties appointed by the governor with the advice of the president pro tempore of the senate.

(4) Two (2) persons from different political parties appointed by the association representing the greatest number of volunteer firefighters in Indiana.

(5) The state fire marshal appointed under IC 22-14-2-2.

(b) The appointments under subsection (a) must be made so that:

(1) diverse geographic areas of Indiana are represented; and

(2) two (2) members are not residents of the same county.

Sec. 8. The board shall do the following:

(1) Administer the fund.

(2) Develop guidelines for use of the money in the fund.

(3) Administer this chapter.

Sec. 9. The board may use money in the fund for the following purposes:

(1) Administering this chapter.

(2) Making revolving loans to volunteer fire departments for:

(A) firefighting equipment; or

(B) firefighter training.

(3) Making grants to volunteer fire departments for:

(A) firefighting equipment; or

(B) firefighter training.

Sec. 10. The office of the state fire marshal established by IC 22-14-2-1 shall provide staff and administrative support to the board.

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